

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
Spectrum Policy Task Force	)	ET Docket 02-135
Seeks Public Comment on Issues	)	
Related to Commission's Spectrum	)	
Policies	)	

**Comments of Matanuska Telephone Association**

Matanuska Telephone Association (MTA) hereby submits comments in response to the Commission's Public Notice in the above-captioned proceeding, in which the Commission begins an evaluation of existing spectrum policies. As a rural telephone cooperative with local, long distance and wireless components in rural areas, MTA offers a unique perspective on the Commission's examination of spectrum policy.

MTA is the largest telephone cooperative in Alaska and one of the largest telephone cooperatives in the nation. Headquartered in Palmer, Alaska, MTA also owns and operates MTA Long Distance and MTA Wireless. MTA serves rural customers in an area of Southcentral Alaska covering 10,000 square miles. Only two highways, one north-south and the other east-west, stretch through this vast area. The area supports a population of 90,000 people primarily clustered in communities along the major roadways. However, many are scattered in areas that are only accessible by boat or

airplane. Tourism, farming, sport fishing and mining comprise the major industry of the region. Denali National Park, the home of the continent's tallest peak, Mt McKinley anchors the northern end of MTA's service area. By contrast, the state of New Jersey, which encompasses 7,200 square miles, is home to over 8 million citizens. Even Vermont, a less populated state, supports over 600,000 persons in the same number of square miles as served by MTA.

MTA filed Articles of Incorporation in December 1953, as Matanuska Telephone Company. In 1955 two hundred member-owners purchased the company from the City of Palmer. Between 1955 and 2000, MTA grew from 200 access lines and 5 employees to 60,000 access lines and 246 employees. From humble beginnings, MTA has become the largest telephone cooperative in Alaska. MTA's mission remains the same - providing a full array of quality telecommunications services to its member-owners at the lowest possible rates. MTA Wireless provides digital and analog cellular CMRS service to over 11,000 customers in the service area of the parent LEC. MTA Wireless currently holds a "B" cellular license in the RSA 2, 800 Megahertz band. Its coverage area approximates the service area of the MTA wireline operation. MTA also provides basic telephone service to over 100 remote customers utilizing fixed wireless technology. We could not reach these customers by traditional wireline facilities due to the rugged and remote terrain in which they reside.

MTA is pleased that the Commission has begun an examination of its spectrum policies and offers comment on some ways in which the Commission could improve these policies with respect to unserved and underserved rural areas. The Commission's market-based approach to the assignment of licenses for spectrum-based services has

been successful, but it is not without flaws. MTA is concerned that many rural consumers are being denied the benefits of wireless technologies because the Commission's existing policies make it difficult for small companies in rural areas that are uniquely suited to provide spectrum-based services in these markets to gain access to the needed spectrum.

In the public notice, the Commission specifically asks whether spectrum policies should be different in different geographic areas.<sup>1</sup> MTA encourages the Commission to adopt policies for rural areas that facilitate meaningful access to spectrum by companies that intend to provide service to areas that are unserved or underserved by the larger carriers that already hold licenses.

Since 1995 the Commission has auctioned 120 MHz of spectrum for Broadband Personal Communications Services (PCS), but in many areas of rural America, and especially rural Alaska, customers have yet to gain access to PCS services. There are several reasons for this lack of coverage. The PCS licenses in Alaska cover very large geographical areas,<sup>2</sup> which made it difficult for many truly small and rural companies to participate in the initial sale of licenses. The small and rural companies, particularly the not for profit cooperatives such as MTA, are those that are most likely to focus their attention on serving customers in thinly populated rural areas whereas the larger companies often set their sights on the more urban areas.

Further, the Commission's build-out requirements for these licenses do not require carriers to serve the entire license area. In the case of PCS licenses, licensees of the 30 MHz blocks must serve one-third of the population within five years of being

---

<sup>1</sup> PN at p. 3.

licensed and two-thirds of the population within 10 years of being licensed. Licensees of the 10 MHz blocks are simply required to provide “substantial service” to the population in these areas within five years of being licensed. As a result, licensees have generally sought to satisfy these requirements in the most cost-effective manner possible, by focusing their attention on the densely populated portions of the license areas. Given the lenient PCS buildout requirements, there has been little incentive for companies to provide service to the more rural areas with the result that there is little hope that the rural areas will be served by the existing licensees at all, as these areas are seldom the most profitable to serve.

Even though the Commission’s “partitioning and disaggregating” policies permit licensees to subdivide their licenses, there is no requirement that they do so at all, much less at reasonable prices or in a timely manner. The result is that large parts of the PCS spectrum in Alaska go unused while there may be companies, such as MTA, that would be ready, willing and able to develop this spectrum if they could obtain access to it in a reasonable and timely manner.

With regard to specific policies the FCC should consider to encourage the access to wireless services in rural areas, MTA believes the Commission should examine several things. One, the Commission should promulgate policies that ensure, or at the very least encourage, the sale or long-term lease of spectrum rights in unserved rural areas at reasonable prices and in a timely fashion to those companies most willing and able to provide service to these areas. Two, the Commission should develop build-out requirements that do not disadvantage the rural areas, which are most often the highest

---

<sup>2</sup> In the PCS A&B blocks, Alaska was auctioned as one Major Trading Area (MTA) and in the C, D, E and F blocks, it was auctioned as three Basic Trading Areas (BTAs).

cost areas to serve. For example, the Commission could establish a policy for PCS spectrum whereby after the five or 10-year build-out requirement for a licensee has passed, an entity could apply to serve a rural area that hasn't been served by that licensee. Three, on a going forward basis the Commission should assign spectrum in rural areas in small geographic areas to make it possible for small and/or rural companies to participate in the competitive bidding process in a meaningful way.

MTA looks forward to working with the Commission to craft policies that serve the public interest by enhancing the availability of spectrum to companies such as MTA that stand ready, willing and able to serve areas that current geographic licensees ignore.

Submitted on behalf of Matanuska Telephone Association

By: \_\_\_\_\_//s//\_\_\_\_\_

Brett Tarnutzer

Matanuska Telephone Association  
1740 South Chugach St  
Palmer, AK 99645

July 8, 2002